

## Testimony Before the Committee on Energy and Technology

*In Support of*

**H.B. No. 7156 AN ACT CONCERNING THE PROCUREMENT OF ENERGY DERIVED FROM OFFSHORE WIND**

*and In Support of*

**S.B. No. 875 AN ACT EXPANDING CONNECTICUT'S OFFSHORE WIND ENERGY PORTFOLIO**

Submitted by **John Humphries**

**Executive Director, CT Roundtable on Climate and Jobs**

February 26, 2019

Dear Co-Chairs Needleman and Arconti, and Members of the Committee:

Thank you for this opportunity to submit testimony in support of H.B. No. 7156, An Act Concerning the Procurement Of Energy Derived From Offshore Wind and S.B. No. 875 An Act Expanding Connecticut's Offshore Wind Energy Portfolio.

The CT Roundtable on Climate and Jobs builds alliances among diverse constituencies to combat climate change and promote racial, economic and environmental justice. We embrace our diversity as a source of power, recognizing that our shared interests in a sustainable climate and a just economy are stronger than any specific issues that may tend to divide us. We believe the climate crisis presents an opportunity to build thriving local economies that are not only more sustainable but also more just and equitable.

### **Action Needed NOW for Clean Energy and Jobs**

Recognizing the urgency of addressing the climate crisis, large bipartisan majorities of both chambers of the General Assembly passed legislation in 2018 strengthening the state's commitment to reducing greenhouse emissions (45% below 2001 levels by 2030) and to expanding Class I renewables (40% by 2030), and Governor Lamont has called for even more aggressive goals.

Offshore wind will play a critical role in helping the state achieve those goals, and it also offers the potential for significant in-state investment leading to local jobs and economic development. **But Connecticut risks missing out on the most significant investments unless the General Assembly takes bold action to demonstrate a long-term commitment to offshore wind procurement.**

This past year, Connecticut has selected 300 MW of offshore wind in two RFPs. However, other states in the region have already established much more robust commitments: Gov. Andrew Cuomo recently announced that NY will almost quadruple its commitment to 9,000 MW of offshore wind by 2035, with the initial RFP for 800 MW issued in November 2018; New Jersey has mandated 3,500 MW by 2030. **Most notably the Massachusetts legislature in 2016**

**approved legislation requiring that the state's utilities procure no less than 1,600 MW of offshore wind no later than 2027, with individual procurements of no less than 400 MW<sup>1</sup>; MA legislators are currently studying the benefits of doubling that mandate to 3,200 MW.**

**Total commitments from states along the eastern seaboard now exceed 16,000 MW. In 2017, a regional economic study<sup>2</sup> estimated that construction of just 8,000 MW by 2030 would create up to 36,000 jobs in the Northeast.**

If Connecticut fails to make a strong commitment now, when developers are making investment decisions that will shape the industry for decades, our state will likely miss the opportunity to become a regional hub for offshore wind staging and supply chain activities. **Developers have expressed enthusiasm for New London's port and State Pier, but if Connecticut is purchasing only a small fraction of the energy produced, then it will be difficult for them to justify major investments in our state.**

### **Mandate 2,000 MW by 2030**

The Connecticut Roundtable on Climate and Jobs joins with a growing coalition of diverse allies<sup>3</sup> in calling for a 2,000-megawatt mandate to ensure that Connecticut has a realistic opportunity to attract major onshore investment, local economic development and jobs.

Both HB 7156 and SB 875 include language that would expand the authority of the Connecticut Department of Energy and Environmental Protection (CT DEEP) to procure offshore wind resources.

The Governor's bill, however, only envisions additional authority for 15% of load (roughly 1000 MW), leaving Connecticut far behind all the other states except Rhode Island, which has already purchased 400 MW of offshore wind to satisfy nearly 25% of its total electricity demand.

**We applaud the Energy and Technology Committee's proposal to authorize 2,000 MW of offshore wind procurement, but that language needs to be strengthened in order to provide any meaningful commitment:**

- 1. We urge the Committee to mandate a minimum procurement rather than simply authorize a capped amount. Like the Massachusetts law, HB 7156 should require CT DEEP to procure "no less than" 2,000 MW of offshore wind.**
- 2. We urge the Committee to set a specific timeframe and timetable for the procurement mandate. Other states in the region have set a date by which the procurement goals must be met and have established guidelines for timetable and minimum size of**

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<sup>1</sup> <https://malegislature.gov/Laws/SessionLaws/Acts/2016/Chapter188> (See Section 83C of Chapter 169 of the Acts of 2008)

<sup>2</sup> <https://www.northeastwindcenter.org/offshore-wind/multi-state/#reports> "US Job Creation in Offshore Wind"

<sup>3</sup> <https://www.theday.com/local-news/20190212/lawmakers-eye-2000-megawatt-offshore-wind-power-buy> "Legislators Eye 2,000-megawatt Offshore Wind Power Buy", February 12, 2019.

procurements . **HB 7156 should require procurements of no less than 400 MW every two or three years, accumulating to no less than 2,000 MW, in the aggregate, by 2030.**

Establishing a solicitation schedule will help Connecticut meet its 2030 renewable portfolio standard and greenhouse gas reduction requirements while creating market certainty for developers. Minimum solicitations ensure projects benefit from economies of scale. A minimum of 400 MW is consistent with the offshore wind requirement in Massachusetts.

Mandating 2,000 MW of offshore wind by 2030 will also ensure that Connecticut can replace the energy produced by Millstone's reactor that is slated to retire by 2035 with Class I renewables rather than fossil fuel generation.

### **Providing Authority is NOT the Same as a Mandate**

The Governor's Office has pointed out that CT DEEP has unused existing procurement authority for 16% of load that could potentially be used to purchase offshore wind resources. When that is combined with the proposed additional authority for 15% of load, the administration argues that their proposal is roughly equivalent to our call for a 2,000 MW mandate. There are at least two problems with that argument:

- 1. The existing procurement authority arises from statutes that encompass a variety of energy resources, so there is no explicit commitment to offshore wind.** The significance of that was highlighted by the recent Zero-Carbon RFP, in which CT DEEP passed over large offshore wind bids in favor of out-of-state nuclear. A future procurement that puts offshore wind up against large-scale hydropower could produce a similar result, as happened last year in Massachusetts. So, it is disingenuous to point to this existing authority as any sort of commitment to offshore wind.
- 2. Without a mandated timeline, there is no guarantee that CT DEEP will ever exercise the authority it is given.** A portion of CT DEEP's existing authority is based on PA 13-303, which means that CT DEEP has failed to exercise that procurement authority for six years. Again, without a mandate, there is no explicit commitment that would lead an offshore wind developer to make substantial in-state investments.

These concerns about CT DEEP's failure to exercise procurement authority become even more pronounced if we consider the possibility of a future administration that does not give priority to climate action and decides not to pursue any further offshore wind procurement. Recognizing that possibility is one more reason that offshore wind developers are unlikely to make firm investment decisions without an explicit mandate.

### **Authorize Coordination With Other States in the Region**

SB 875 authorizes CT DEEP to pursue "opportunities to coordinate procurement with other states." We support providing that authority, recognizing that it could allow Connecticut to benefit from efficiencies of scale and benefit the state's ratepayers.

## Labor and Wage Protections

Both HB 7156 and SB 875 include language that will result in the payment of a prevailing wage and the use of project labor agreements, thereby ensuring high-quality, local jobs and allowing the negotiation of targeted hiring provisions requiring specific percentages of the work to be done by disadvantaged and minority workers. Such provisions can create new pathways to skills training and careers for residents of economically struggling communities. The labor and wage provisions in SB 875 are stronger than those in HB 7156, and we would urge the Committee to incorporate the stronger language into the final bill.

## Environmental Protections

**We are very concerned that neither of these bills contains any language concerning environmental protections. It is imperative that Connecticut's offshore wind development feature the highest standards for mitigating any negative impacts on wildlife or ecosystems.**

At a minimum, the final bill should incorporate language such as:

“In making any selection of proposals, the commissioner shall consider factors, including, but not limited to consistency with the goals and policies set forth in sections 22a-92 and 25-157t and explicit description of the best management practices to be employed, as informed by the latest science at the time of a proposal, to avoid, minimize, and mitigate impacts to wildlife, natural resources, ecosystems, and traditional or existing water dependent uses.”

The Committee may wish to explore stronger provisions that would address specific concerns related to mitigating noise levels from pile-driving activities. Three national conservation organizations recently announced an agreement with Vineyard Wind on protective measures to be implemented during construction on the Massachusetts offshore wind project to keep right whales safe.<sup>4</sup>

In conclusion, establishing an aggressive long-term commitment to offshore wind procurement in the form of a legislative mandate for no less than 2,000 MW by 2030 will: (a) help ensure that Connecticut can meet its climate and clean energy goals; and (b) position Connecticut to become a hub for the regional offshore wind industry, attracting substantial in-state investment, economic development and high-quality, local jobs.

Thank you for this opportunity to submit testimony in support of HB 7156 and SB 875.

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<sup>4</sup> <https://www.nwf.org/Home/Latest-News/Press-Releases/2019/01-23-19-Right-Whale-Agreement> “Vineyard Wind, Conservation Groups Reach Historic Agreement to Protect Right Whales”